2 UNITED STATES DEPARTMENT OF AGRICULTURE
2 U.S. BUREAU OF AGRICULTURAL ECONOMICS

REGIONAL VARIATIONS

IN

PRICES RECEIVED BY FARMERS,

1925-34

FOR 9 SELECTED COMMODITIES;

1932-41,

FOR 19 SELECTED COMMODITIES //

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Regional Variations of Prices Received by Farmers

Average regional variations in prices received by farmers are shown by the series of outline maps presented in this bulletin. These maps delineate by means of isotimes (lines of equal price) areas in which prices for the commodity averaged approximately the same during the specified period. Maps based on the average prices for the 10-year period 1925-34 and also for the 10-year period 1932-41 are included for 9 commodities. Maps for 9 additional commodities based on the 1932-41 period and a map for grain sorghums based on the 1933-42 average are also included. Maps for the 1925-34 period are revisions of similar maps included in the report entitled "Regional Variations in Prices Received by Farmers 1925-34", published jointly by the Bureau of Agricultural Economics and the Farm Credit Administration in May 1939.

Estimates of prices received by farmers as compiled by the Bureau of Agricultural Economics relate to the average price for all grades and quality of the particular commodity actually being sold at the point of first sale out of farmers' hands. Regional and area price differences result from many causes. Among the important factors involved are distance to central markets, whether the area is a surplus or deficit producing area for the particular commodity, differences in varieties grown, variations in grade or quality, and differences in point or method of sale. The effects of some of these factors change from day to day and from month to month, while for others the effects are fairly constant for a relatively long period of time. For example, severe rust damage in a given area could lower the quality and price of wheat for a particular crop year much below its usual relationship with other areas. On the other hand, freight differentials between areas tend to remain much more constant although such differentials are, of course, subject to change in freight rates.

Prices as reported to the Bureau of Agricultural Economics are summarized by price reporting districts. The number of price reporting districts, which are areas of relative homogeneity, range from 1 in some of the New England States to 11 in Texas. To provide a basis for locating the lines of approximately equal price, a simple average of the reported District prices was computed for the specified 120-month period for each commodity. In an average based on such an extended period, sampling fluctuations in the reported data tend to be offsetting, and short-term price differences that result from unusual situations tend to smooth out. Thus, the lines which are drawn in on the basis of the price reporting district averages indicate the usual or long-term price differences rather than short-term differences that may occur in any given month or year.

As the Nation develops, changes occur in the production and economic patterns. As a result, relationships change and price differentials that existed in one period may be entirely different in another. For 9 commodities the separate maps showing average prices for the 1925-34 period and for the 1932-41 period provide an indication of the long-term trends in price differentials between areas.

Acknowledgment is given to the Farm Credit Administration for its very substantial assistance in computing the basic averages, in analyzing the data, and in preparing the maps for this bulletin.





























































